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UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION

May 19, 1953

LOSS ADJUSTMENT MANUAL
FOR BEANS
(For 1953 and Succeeding Crop Years)

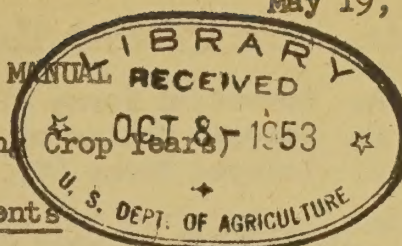


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INTRODUCTION

This procedure contains detailed instructions for carrying out the provisions of the insurance contract with regard to loss adjustment. The adjuster should be thoroughly familiar with the provisions of the insurance policy as well as the instructions contained in this procedure.

The adjuster should also thoroughly familiarize himself with the general provisions of the program, including other procedures for beans, as well as his responsibilities and those of the state director, district supervisor and county committee in order that he may ably represent the Corporation in his field contacts. This information, together with other basic principles of loss adjustment, are contained in the Adjuster's Handbook. Detailed instructions relative to Form 8-Revised, "Notice to Corporation of Material Damage or Loss" (herein called "Form 8") are contained in General Procedure 8-Revised.

SECTION I. INSPECTIONS AND PREPARATION OF THE INSPECTION REPORT

Subsection A. General

1. Insurance Unit

The adjuster must clearly understand what constitutes an "insurance unit" because losses are adjusted on an insurance unit basis. Each of the following describes an insurance unit:

- a. For an owner-operator all insurable acreage in the county in which he has 100 percent interest at the time of planting.
- b. For a landlord all insurable acreage in the county which is owned by him and rented to one share tenant at the time of planting.
- c. For a tenant all insurable acreage in the county which is owned by one person and operated by a share tenant at the time of planting.

In case of land rented for cash or for a fixed commodity rent the lessee is considered the owner.

2. Insurable Acreage

For each crop year of the contract, any acreage is insurable only if a coverage is shown therefor on the county actuarial table on the applicable calendar closing date for filing applications for that crop year, and provided the farming practice followed on such acreage is one for which a coverage was established.

The adjuster must determine whether or not the acreage is in a classified area and whether or not a coverage has been established for the practice followed.

3. Acreage Not Covered by Insurance

Insurance does not attach with respect to:

- (a) any acreage on which the crop is destroyed where it is practical to replant to the insured crop but such acreage is not replanted,
- (b) any acreage initially planted too late to expect a normal crop to be produced,
- (c) new ground acreage, and
- (d) any acreage planted to beans on irrigated land the first year of cultivation after being leveled or the first year such acreage is irrigated.

4. Appraisals of Production for Causes of Loss Not Insured Against

The contract guarantees the insured producer protection against loss of production due to the following causes when unavoidable: drought, flood, hail, wind, frost, freeze, lightning, fire, excessive rain, snow, wild-life, hurricane, tornado, insect infestation, and plant disease. In addition there are certain other causes of loss specified for irrigated acreage. Since the contract insures only against loss of production due to specified causes of loss, it follows that the contract does not cover loss due to any other cause unless such cause of loss is approved by the board of directors.

In adjusting a loss the adjuster must keep in mind at all times that the contract, in addition to setting forth those unavoidable causes of loss mentioned above, also sets forth many causes of loss which are not insured against. The important thing with respect to the loss adjustment is to remember that any cause of loss not insured against by the contract is an uninsured cause of loss, plus the fact that any of the above-specified causes of loss are not insured against if they are due to neglect or malfeasance of the insured or any other person in his household or employment or connected with the farm as a tenant or wage-hand.

In every case it must be established whether any part of the loss is due to any cause(s) not insured against. Where any such loss is involved, an appraisal of the amount of production lost due to the uninsured cause(s) of loss must be made. Establishing the amount of this appraisal requires the exercise of sound judgment.

For example, loss due to failure of the insured to take adequate measures to control insect infestation, plant disease or weeds when such measures are practical and have proven effective in the area, is avoidable

and is an uninsured cause of loss. On the other hand, loss due to insect infestation or plant disease where the insured carried out adequate control measures, is unavoidable, and therefore is an insured cause of loss. Where the insured failed to carry out adequate control measures the adjuster must determine what control measures were taken by other farmers in the area and what effect the measures taken had on production in order to determine the uninsured loss.

5. Waiver of Inspection

An inspection need not be made during the growing season if the Form 8 does not include a request for release of acreage and if the state director or the person designated by him (district supervisor or adjuster) determines that an inspection is not necessary. However, in such cases the Form 8 must be cleared by a letter to the insured setting forth the following:

- a. The insured's contract number and the description of the acreage involved;
- b. The reason an inspection is not deemed necessary at that time;
- c. That if any material damage later occurs to the crop, or if threshed production is less than the coverage, prompt notice should be given to the Corporation; and
- d. That evidence of planting should not be destroyed or other use made of the acreage before an inspection is made by a Corporation representative.

In order that the letter will contain the required information, it should be prepared by the state director and a supply mimeographed. If the district supervisor(s) or adjuster(s) are authorized by the state director to waive inspections, these mimeographed letters shall be used by them to notify insureds.

This letter should be prepared in triplicate, the original mailed to the insured, a copy forwarded to or retained by the state director, and a copy filed in the insured's county office folder.

No further action is necessary on the case unless another Form 8 is received or it is determined later than an inspection is necessary.

6. Preliminary Steps Before Inspection

The adjuster shall visit the county office and familiarize himself with all material in the insured's file including acreage reports, current correspondence, all Forms FCI-863-B, "Bean Inspection Report", (herein called "Form 63") previously prepared, and shall obtain records and other data which will be helpful to him in making the inspection. This provision may be waived by the state director if such information is otherwise available to the adjuster, or if it is not needed by him in making an early inspection.

Whenever possible the adjuster shall question the insured concerning the extent of his farming operations so that the insurance units can be determined. The result of this discussion with the insured shall be compared with the acreage report. Any differences of insurance units shall be fully explained on Form FCI-6, Statement of Facts, (hereinafter called "Form 6") and forwarded immediately to the state director.

7. The Acreage Report in Connection with Inspection

- a. If the acreage report has not been submitted and it is less than 30 days after planting is generally completed in the area, the adjuster shall obtain the acreage report and handle the inspection in the regular manner.
- b. If an acreage report has been submitted previously by the insured but no part of the unit on which the damage has occurred is listed on the acreage report, a Form 63 shall be prepared for the unit in the regular manner except that no acreage shall be released. This will mean that no entry is made in column C of Form 63 in such cases. The adjuster shall set forth in detail in Part III of Form 63:
 - (1) the reason why the unit was not reported on the acreage report,
 - (2) the estimated total acreage of the insured crop on the unit and the insured's interest therein,
 - (3) the acreage damaged and the extent of the damage,
 - (4) the condition of the crop and an appraisal of any production, and
 - (5) all other pertinent facts.

The case shall be referred immediately to the state director.

- c. If the adjuster finds that the insured has an interest in an additional unit(s) which was not listed on the acreage report and on which no damage has occurred, a Form 63 shall be prepared for the unit in the regular manner and the information requested in paragraph b, above shall be entered in the space for "Remarks". The case shall be referred immediately to the state director.
- d. If the acreage report has not been submitted and it is more than 30 days after seeding is generally completed in the area, the adjuster shall prepare a Form 63 for each insurance unit (or part thereof) in which the insured had an interest at the time of planting. The Form(s) 63 shall be prepared in the regular manner except that no acreage shall be released. This will mean that no entry is to be made in column C of Form 63 in such cases. The adjuster shall set forth in detail in Part III of Form 63:

- (1) the reason why the acreage report was not filed within the 30-day period,
- (2) the estimated total acreage of the insured crop on the unit (or part thereof) and the insured's interest therein,
- (3) the acreage damaged and the extent of damage,
- (4) the condition of the crop and an appraisal of any production, and
- (5) all other pertinent facts including information as to previous efforts made to secure the acreage report.

The case shall be referred immediately to the state director.

8. Inspection of Other Units

Where an insured has more than one unit and the adjuster has received a Form 8 for only one unit, he shall question the insured, or other person on the farm who knows the situation, concerning the condition of the crop on the other units. When the inspection is being made at the time of:

- a. Early Inspection and a loss has occurred on any other unit on which the insured wants acreage released, the adjuster shall prepare a Form 8 and complete the inspection on such other unit in the regular manner. However, if the insured does not want any acreage released on any other unit no inspection will be made of such units unless the state director instructs the adjuster to make such inspections. The state director should instruct the adjuster as to the types of cases which would require inspection of other units. The insured's or other person's report of the condition of the crop on other units should be noted in the narrative report.

When the insured, or other person who knows the situation, is not present on the farm at the time of the inspection, and the information concerning other units is not available, the adjuster should note this fact in his narrative report.

- b. Final Inspection and a loss has occurred or is probable on any of the other units not covered by a Form 8, the adjuster shall prepare a Form 8 and proceed with an inspection and necessary loss adjustment in the regular manner. Inspections should not be made on other units when the insured states that a loss is not probable, unless the adjuster has reason to believe that production from the unit on which the loss was reported has been shifted to other units. For other units where the insured states that a loss is probable but the crop will be threshed the decision whether or not to make an inspection will depend on the added expense and the benefits to be derived from an inspection. If the unit is not inspected,

the insured should be informed of his responsibility to give notice of loss immediately after completion of threshing or February 10, whichever occurs first. Where inspections are not made on other units, the adjuster should make appropriate comment on his findings as provided below.

In such cases where an inspection is not made an explanation should be given on a Form 6. This explanation should include the unit numbers, reason for not inspecting the units and the production as reported by the insured if threshing has been completed on the unit. For example, the explanation can be made in the following form: "Units 3 and 4 were not inspected because the insured reported that the units are to be harvested and a loss is not probable. The insured estimates a yield of _____ cwt. per acre on unit number 3 and _____ cwt. per acre on unit number 4. These estimates are in excess of the coverages for the units"; or "Units 3 and 4 were not inspected because the insured's threshing receipts show _____ cwt. produced on unit number 3 and _____ cwt. produced on unit number 4. This production is in excess of the coverages for the units"; or "Units 3 and 4 were not inspected because threshing has not been completed on these units. The insured believes that a loss is probable and he has been informed of his responsibility to submit a Form 8 at completion of threshing or by February 10, whichever occurs first."

If the insured, or other person who knows the situation, is not present to give the required information concerning other units, this fact should be noted in the Narrative Report. In such cases the insured should be informed at the time he signs the statement in proof of loss that information was not available concerning the condition of his crop on the other units operated by him and no inspection had been made on these other units. He should be informed that if a loss is probable on such other units, he should give immediate notice of loss so that prompt attention can be given to settlement of the case.

9. Transfer of Interest

Where the adjuster finds that there has been a transfer of interest after the beginning of planting but before the beginning of harvest or the time of loss, whichever occurs first, he shall determine whether Form FCI-21-Revised, "Transfer of Interest" (herein called "Form 21") has been filed with the county office. Form 21 should be filed within 15 days after the date of the transfer. The Corporation will accept Form 21 in the case of any valid transfer, if the Form 21 is filed within 15 days after the date of the transfer. However, if more than 15 days has elapsed since the date of the transfer and the adjuster finds that Form 21 has not been filed, he shall inform the transferee that if he desires insurance on the interest transferred he may file Form 21 with the county office or with the adjuster provided that:

- (a) the premium was paid prior to the date of the transfer, or
- (b) it is during the growing season and the insured crop has not deteriorated since the date of the transfer.

A transfer of interest will not be recognized if harvest on the insurance unit was begun before the transfer occurred.

In any case where the transferee has not filed a Form 21 with the county office the adjuster shall prepare a Form FCI-6, setting out all the facts pertinent to the case, including information that would be necessary if Form 21 were filed, and forward it to the state director immediately. If the transferee files a Form 21 with the adjuster it shall be attached to the Form 6 and forwarded to the county office. Detailed instructions covering the conditions under which the transferee may obtain insurance and the execution of Form 21 are contained in FCI - General Procedure 8 - Revised.

When adjusting a loss in a case where the transfer involves only a portion of the acreage on the insurance unit the adjuster shall obtain all basic information on the transferred acreage whether or not an acceptable Form 21 has been executed. This is necessary in order for the Corporation to compute any indemnity which may be due the transferor on the acreage not transferred.

10. Released Acreage Not Put to Another Use

The adjuster shall inform the insured that if any released acreage is kept for harvest instead of being destroyed or is replanted to beans, the Corporation may count the production as appraised at the time of the release or it may proceed with an adjustment as if no release had been made, whichever the Corporation elects.

The adjuster should realize the importance of keeping these cases to a minimum, especially the release of acreage which might be replanted. This can be done by not releasing any bean acreages while farmers in the area are still replanting or generally would replant if their bean crops were destroyed. In cases where beans on released acreage are not plowed under or otherwise destroyed beyond recovery as a bean crop but are carried on through harvest, or the released acreage is replanted to beans and is harvested, the adjuster will determine whether he should use the coverage in the first stage and the appraised production or the coverage in the third stage and the harvested production as a basis for settlement. This determination will necessarily be the one that is more favorable to the Corporation.

11. Stages of Production and Method of Determining Production to be Counted

- a. The first stage of production applies to acreage released by the Corporation and not pulled or cut. The production to be counted for this acreage is the appraised production in excess of the difference between the first stage of coverage and the harvested stage of coverage as set forth in supplement 1 to this loss adjustment manual. This determination will be made on the basis of all acreage released in the first stage on a unit and not on a field basis.
- b. The second stage of production applies to acreage released by the Corporation after the bean crop is pulled or cut but before it is threshed. The production to be counted for this stage of coverage is the appraised production in excess of the difference between the second stage of coverage and the harvested stage of coverage as

set forth in supplement 1 to this loss adjustment manual. This determination will be made on the basis of all the acreage released in the second stage on the unit and not on a field basis.

- c. The third stage of production applies to acreage on which the bean crop has been threshed. The production to be counted for this stage of coverage shall be the actual production threshed plus any appraisal for beans remaining in the field and any appraisal for uninsured causes of loss.

12. Acreage Put to Another Use Without the Consent of the Corporation

When the acreage is put to another use without the consent of the Corporation, the production to be counted shall be the larger of (a) the appraised production of such acreage or (b) the coverage for such acreage in the third stage.

Subsection B. Preparation of Form 63

1. The adjuster shall prepare a Form 63 for each insurance unit at the time of each inspection of the unit. A separate Form 63 shall be prepared for each part of an insurance unit in the following cases:
 - a. When both irrigated and non-irrigated practices are followed on parts of the insurance unit (applicable only in Montezuma County, Colorado, and in Santa Fe and Torrance Counties, New Mexico);
 - b. When a transfer of interest has been approved involving a part of the acreage or a part of the insured's interest in the bean crop on the unit;
 - c. When the insured has different shares in the bean crop on parts of the unit; or
 - d. When more than one class of beans are produced on the unit. (Pea and medium white beans shall be treated throughout as one class of beans.)

2. Heading

All entries are self-explanatory and shall be completed in every case. (In Huron County, Michigan, the word "Level" and the applicable of either I or II to denote the level of insurance shall be added after the area number. In counties where both irrigated and non-irrigated practices are followed on parts of the insurance unit, the letter I to indicate irrigated or NI to indicate non-irrigated shall be added after the area number.)

Part I

(Instructions for preparation of Part I are contained on the inside cover of the pad containing the Inspection Report and will not be repeated in this procedure.)

4. Part II - Threshed Beans

Part II shall include the shares of all persons in the threshed production of the bean crop on the unit (or part thereof covered by Form 63).

Routine completion of this part shall not be considered adequate to determine the quantity and quality of the beans threshed. The reasonableness of the reported quantity and quality of beans threshed as related to the acreage should be considered, and if necessary, other inquiry or search should be made, particularly if the quality appears to be inconsistent with the quality of beans produced on other comparable farms in the area. In the case of stored beans, a representative sample must be taken and tests made to determine the defects that could be removed by milling or screening, moisture content, and grade or percent of pick, except that the information regarding quality contained on negotiable warehouse receipts may be accepted.

Item 1. Farm or Warehouse Stored Beans and Beans Sold. The data for each bin shall be recorded in item 1. All dimensions listed must be actual inside bin measurements and must be expressed in feet and tenths of feet. (Where the weight of the beans was determined before the beans were stored, and records of this determination are acceptable to the adjuster, the manner in which such determination was made shall be entered on one of the lines in item 1 and only columns (P) through (U) need be completed for these beans.)

Column I: Enter the bin number of farm stored beans, which shall be assigned by the adjuster if the bin is not already numbered.

If all or any portion of the beans are warehouse stored a cross-reference to the name of the warehouse shown in item 2 must be made.

If all or any portion of the beans are sold a cross-reference to the name of the purchaser shown in item 2 must be made. If more than one grade or pick is applicable to the threshed beans a separate line (e.g., a, b, c, etc.) must be used for each grade or pick.

Care should be exercised in determining whether the insured is retaining any seed beans for the next year. If none are retained the words "No seed beans retained" shall be written in Part III.

(Columns J through O are to be completed only when unbagged beans are stored on the farm.)

Column J: Enter the length of the bin. If the bin is round, enter the diameter and strike out the words "length or".

Column K: Enter the width of the bin. If the bin is round, no entry shall be made.

Column L: Enter the depth of the beans in the bin. The beans must be level in the bin before the depth can be measured.

Column M: Enter the gross cubic feet of the beans. (See Adjuster's Handbook for methods of determining contents of bins.)

Column N: Enter the cubic feet of deduction for space occupied by chutes, vents, studs, cross-ties, etc., if any, which have been included in the overall measurements of the beans.

Column O: Enter the result obtained by subtracting the quantity shown in column N from the quantity shown in column M.

Column P: Enter the result (cwt.) obtained by multiplying the net cubic feet shown in column O by 0.48. Round to pounds. The conversion factor, 0.48, is based on an assumed test weight of 60 pounds to the bushel. If the insured or the adjuster believes that the actual test weight is more or less than stated, an actual test weight, per bushel should be obtained and multiplied by 0.008 in order to determine the correct conversion factor. In such cases the new conversion factor should be substituted for 0.48.

In cases where actual test weight is to be determined, representative samples shall be taken from each bin in order to make this determination. These samples shall be properly designated by the adjuster to correspond with the bin numbers. The adjuster shall note in Part III where the tests were made, the actual test weight per bushel and the percent of moisture contained in the beans.

If the insured bean crop produced on the insurance unit is sacked and stored either on or off the farm, the total number of sacks of beans and the average weight of beans per sack (not including the weight of the sack) must be noted in Part III, and the product of these two figures entered in the applicable of column P or column R.

Column Q: Enter the product of (1) column P and (2) the percentage of defects (if any) by weight removed by milling or screening, as determined from a representative sample.

Column R: In the case of farm stored beans enter the result obtained by subtracting the quantity shown in column Q from the quantity shown in column P. In the case of warehouse stored beans or beans sold enter the weight of the cleaned beans.

Column S: Enter the product of (1) the percentage of moisture contained in the cleaned beans minus 18 percent and (2) column R. On farm stored beans the percentage of moisture shall be considered to be 18 percent unless the insured or the adjuster believes the moisture content is higher. If so, a moisture test should be made.

Column T: Enter the result obtained by subtracting the quantity, if any, shown in column S from the quantity shown in column R.

Column U: Enter the applicable grade or percent of pick. Since quality adjustment is an important factor in bean crop insurance and depends upon the grade or pick determined, care must be exercised by the adjuster in obtaining the exact grade or pick of the beans. If the quality is so low that a price for valuing production is not shown by grade or pick on the actuarial table, the lesser of (1) the lowest price on

the actuarial table or (2) the market value per cwt. shall be entered. The market value is not necessarily what the insured receives for his beans but should be a fair market value as determined by the adjuster. Where a net market value is used which reflects a moisture content in excess of 18 percent disregard any previous moisture allowance. If a market value is used in place of the grade or pick the letters MV shall be placed in column U and an explanation covering the basis of the valuation should be entered in Part III.

Item 2: Enter the name(s) and address(es) of the warehouse(s), or person(s) with which any beans produced on the insurance unit are stored or to whom they have been sold with appropriate cross-reference to item 1, column I.

Item 3: Enter the date upon which the threshing or combining of the beans from the insurance unit was completed. If a part of the crop was either threshed or combined a considerable time in advance of the rest of the crop, the date of the completion of both periods of harvest shall be entered.

5. Part III. Adjuster's Narrative Report

The adjuster's narrative report is a very important part of the loss adjustment papers. It is used by the state director in reviewing the case and often the approval or disapproval of the case depends upon the narrative report. It should be prepared carefully in accordance with the instructions on the inside of the front cover of the Form 63 pads. In addition to these instructions, whenever the signature of the insured cannot be obtained the reason therefor should be included in the narrative report. The state director will outline for the adjuster any other information which he thinks the Corporation will need in final determination of any loss.

SECTION II. ADJUSTMENT OF CLAIMS

Subsection A. General

1. Responsibilities of the insured:

- a. If a loss is probable the insured is required to notify the county office in writing immediately after any material damage to the insured crop during the growing season.
- b. The insured is required also to give a notice of loss in writing to the county office within 15 days after threshing is completed or by February 10 following the end of the insurance period (whichever is earlier). If this notice is not given, the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections may be made while the facts can be determined best.
- c. If a loss is claimed the insured shall submit Form FCI-867-B, Statement in Proof of Loss for Beans, (hereinafter called Form 67) within 60 days after the time of loss. In case all of the acreage on the insurance unit is released prior to harvest, the time of loss is the date of the damage resulting in the release. In case the threshing (or removal from the field) is completed for the insurance unit prior to December 15, the time of loss is the date of completion of threshing or removal from the field. In case threshing is not completed for the insurance unit or the beans are not removed from the field prior to December 15, this date is the time of loss. If the claim is submitted more than 60 days after the time of loss see Section III. C. hereof.
- d. The insured shall establish that the amount of any loss for which claim is made has been directly caused by one or more of the hazards insured against by the contract during the insurance period, and that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.

2. Responsibilities of the adjuster:

- a. In making each inspection in connection with a claim for loss, the adjuster shall determine the time of loss on the insurance unit as set forth in subsection A. 1. c. above, and compare this date with the date the insured gave notice of loss at the county office, as shown on Form 8. If the notice of loss was not given within the time specified in subsection A. 1. b. above, the case shall be handled as provided in Section III, B, hereof.

- b. The adjuster shall not approve a Form 67 until he has
- (1) inspected all fields or tracts included in the insurance unit and determined the use made of any released acreage,
 - (2) determined the acreage planted to beans, determined that the acreage is insurable, and verified the coverage and rate area,
 - (3) made any necessary appraisals of production per acre,
 - (4) verified to his satisfaction that all the production of beans has been reported,
 - (5) verified to his satisfaction that the grade or pick properly reflects the quality of the beans,
 - (6) determined that the loss is due to insurable causes, and
 - (7) verified the insured's interest in the crop at the time of loss.
- c. The adjuster shall not approve a Form 67 before the end of the insurance period as long as there is any reasonable possibility of threshing any production from the unit at a later date. This includes the possibility that beans on released acreage may be left for harvest or released acreage may be replanted to beans.
- d. The adjuster shall not refuse to assist the insured in filing Form 67 in any case where a timely notice of loss is filed even though the adjuster feels that the claim has no merit.
- e. The adjuster shall prepare Form FCI-26 "Adjuster's Report" in connection with each Form 67 filed. The Form FCI-26 shall be attached to the related Form 67 before it is submitted to the state director.
- f. Where the adjuster finds an error on the acreage report in an area number, insurance unit number, or any other data which would change the liability of the Corporation, he shall complete the Form 67 on the basis of the facts and shall prepare and attach a Form 6 clearly pointing out the error and explaining the difference.

Subsection B. General Instructions Applicable to Preparation of Form 67

1. A separate Form 67 (or a "master" and "supplemental" Form 67, where subsection D of this Section applies) shall be prepared for each insurance unit on which a loss is claimed.
2. Where the insured fails to establish and maintain satisfactory

separate records of production from two or more insurance units and such production is commingled, the case shall be handled in accordance with subsection D. 5. of this Section. However, if the adjuster feels that insurance with respect to such insurance units should be voided, he shall prepare Form 6 setting forth the facts which he feels justify this action and his recommendation and the Form 67 shall not be signed by the adjuster. In such case if the insurance for such insurance units is voided, the insured may still be required to pay the current premium.

3. Where the insured fails to establish and maintain separate records of production which are satisfactory to the Corporation for acreage to which insurance did not attach and such production is commingled with production from insured acreage, the production from the uninsured acreage will be considered to have been produced on the insured acreage and the loss adjusted in the usual manner.
4. The insured and the adjuster certify only to the basic data appearing on Form 67, which include the measured acreages, the insured interest, the production to be counted, the U. S. Grade or Percent of pick, the price for valuing production only when the market value is applicable and the causes of damage. Therefore, the adjuster shall complete Form 67 only to the extent provided hereinafter.
5. Where it appears that there will be no loss on the insurance unit or where the insured requests advice as to the approximate amount of indemnity he may expect to receive, the adjuster may perform the necessary computation on a scratch pad and advise the insured accordingly. If there is no loss, the adjuster should explain to the insured why there is no loss.
6. In all cases the insured shall be advised that the required computations will be made by the Corporation and that his copy of Form 67 will be mailed to him after the audit is completed.
7. Where a statement of facts is required, Form 6 should be used to record the necessary information. A "Statement of Facts" should be carefully prepared. It should contain information clear and complete enough so that a person not familiar with the case could decide the case on its merits. It will be a very important document whenever a controversy arises.

Subsection C. Preparation of Form 67 for Usual Cases

1. The instructions set forth in this subsection apply in all cases where
 - (a) the insured has the same share in all the acreage of the insured crop on the insurance unit,
 - (b) the same coverage per acre is applicable to the entire unit,

- (c) there has been no transfer of interest in the insured crop on the insurance unit, and
- (d) only one class of insurable beans is grown on the insurance unit (pea and medium white beans shall be treated as one class).

In all other cases Form 67 shall be prepared in accordance with subsection D of this Section. Entries shall be made, where applicable, in all of the spaces where there are solid lines. The spaces where there are dotted lines are provided for computations in the state and branch offices.

2. Form 67 is a Rediform set consisting of an original and three copies, and shall be prepared as follows:

- a. Heading. These entries are self-explanatory. The name of the insured on Form 67 should agree with the name as it appears on the contract. If it does not agree a Form 6 fully explaining the revision shall be attached.
- b. Boxes. Instructions for completing all boxes are contained on the inside cover of the Form 67 pad. More detailed instructions are set forth below for boxes B and C due to the importance of these data in determining the amount of any indemnity due the insured.

Box B.

- (1) Enter the measured acreage planted to beans on the insurance unit, excluding acreage not insured such as:

- (a) any acreage on which the bean crop was destroyed or substantially destroyed at a time that it could be replanted to beans and such acreage is not replanted to beans,
- (b) any acreage initially planted to beans too late to expect a normal crop to be produced,
- (c) new ground acreage,
- (d) any acreage (where insurance is written on an irrigated basis) planted to beans the first year after being leveled, and
- (e) any acreage (where insurance is written on an irrigated basis) planted to beans the first year such acreage is irrigated.

- (2) This acreage shall be accurately determined by the adjuster by using acceptable records of measurements on file in the county office if such records are available, or by actual measurement. All possible use shall be made of permanent field acreages established under other agricultural programs and on file in the county office.

Measuring equipment shall be checked for accuracy and corrected, where necessary, prior to its use. Where applicable, the adjuster shall inform the insured of the following:

- (a) If the measured acreage is less than the entry in box A the loss will be settled on the basis of the measured acreage and the premium will be adjusted accordingly;
- (b) If the measured acreage exceeds the entry in box A, the loss which would otherwise be determined will be reduced proportionately unless the provisions of paragraph (c) below are applicable;
- (c) If different premium rates apply to (or the insured has different shares in the crop on) parts of the insurance unit and the premium on the measured acreage exceeds that for the entry in box A, the loss will be reduced on the basis of the ratio of the premium computed for the acreage entered in box A to the premium computed for the measured acreage.

Box C. In Huron County, Michigan, the word "Level" to denote the level of insurance and the applicable of either I or II shall be added after the area number. In Montezuma County, Colorado, and in Torrance and Santa Fe Counties, New Mexico, the area number shall be followed by a dash and the applicable of I or NI to denote irrigated or non-irrigated acreage.

c. Part I. Production, Valuation and Coverage Data for the Insurance Unit

These instructions are in addition to the instructions contained on the inside cover of the pad of Forms 67. The following important factors shall be kept in mind in preparing Part I:

- (1) In connection with any computation, rounding shall be performed as follows: Carry the computation one digit beyond the digit to be rounded. If the last digit is 5 or larger, round upward; if the last digit is 4 or smaller, disregard it.
- (2) All acreage figures shall be rounded to tenths of an acre. All production figures shall be rounded to pounds.
- (3) The sum of the entries in column E must equal the measured acreage in box B.
- (4) The Tables shown in Supplement 1 shall be used where applicable.

(5) Items 1 and 2

Column F: In cases where the insurance unit involves two or more released tracts with different per acre appraisals, the total appraisal for all such acreages and the total allowance shall be the sum of the allowances computed for all such acreages. The quantity by which the total appraised production for all such acreages exceeds the total allowance for all such acreages shall be the production to be counted and entered in column F.

(6) Item 3

Column G: In the very exceptional cases where the contract provides that the market value is applicable, as explained in Section I. B. 4. (for column U of Form 63), enter the letters MV in column G and enter the market value per cwt. in column H.

d. Part IV. Causes of Damage Insured Against

The various unavoidable insured causes of damage are specified in and limited by the policy. They include but are not limited to the following which shall be used as a guide to uniformity.

Lightning	Tornado
Drought	Windstorm
Hail	(Plant diseases (which could not be
Fire	(Insects prevented by the
Wild life (animals or birds)	insured)
Flood (overflow or backwater)	Shortage of irrigation water (See
Excessive moisture (rain or	policy)
seepage)	Weeds and grasses (resulting from in-
Frost, Freeze, or Snow	sured causes of loss and not due
Hurricane	to poor farming practices)
Hot Winds (including excessive	
heat)	

If any part of the loss is due to an act of a person(s), the adjuster shall prepare a Form 6, setting forth the name of the person(s), if possible, and the amount of loss caused by such person(s).

e. Part V. Claim, Certification, Release and Assignment

Item 17: By signing Form 67 the insured certifies the data appearing on the form and agrees to the substitution of the Corporation with power of attorney to exercise right of recovery against any person(s) for damage to the crop to the extent that payment for loss resulting from such damage is made to the insured by the Corporation. The insured shall be informed of all the conditions of the certification as set forth in the "Adjuster's Handbook".

The adjuster shall review Form 67 and determine that all necessary entries have been made thereon and wherever possible shall discuss all appraisals and other basic data with the insured before it is signed by him. After the form is signed by the insured, no person has authority to change or enter thereon any basic data. If, after the form has been filed by the insured it is found that any of the basic data shown thereon are incorrect, the case shall be handled in accordance with the procedure set forth in Section III. A. hereof.

The insured (or other eligible claimant) shall sign and enter the date in the spaces provided in item 17. Before signing, he should be cautioned that his signature must agree with the name in the heading of Form 67, and where applicable, with his signature on the contract. The signature must actually be affixed by the insured (or other eligible claimant) whose name appears in the heading of Form 67, or by his authorized representative. If the signature is affixed in a representative capacity, the adjuster must determine that a power of attorney or other acceptable evidence is on file in the courthouse or the county office authorizing the person to sign in the capacity in which he signs.

f. Boxes Designated "For Branch Office Use Only"

The adjuster shall make no entries in these boxes, which will be used by the Corporation in notifying state and county offices of changes in the premium for the contract in each case where the measured acreage shown on Form 67 is less than the approved acreage for the insurance unit, thus eliminating the preparation of "revised" acreage reports by the Corporation.

g. Applicable only in Counties where Two or More Classes of Beans are Insured

In each case where an insured grows two or more classes of insurable beans the data on the Forms 67 shall be summarized on a master Form 67 in accordance with instructions in Subsection D. 4.

Subsection D. Preparation of Form 67 for Unusual Cases

(Note: It will not be necessary for each "supplemental" form to be signed by the insured, provided the "master" form is signed).

i. Where the Insured has Different Shares in Parts of the Bean Crop on the Insurance Unit

A separate Form 67 shall be prepared for each acreage of the bean crop on the insurance unit on which the insured has a different share. (For example: If the insured has 75 percent interest in 30 acres of the bean crop and 50 percent interest

in 20 acres of the bean crop on the same insurance unit, one Form 67 shall be prepared for the 30 acres and another Form 67 shall be prepared for the 20 acres.) The word "supplemental" shall be entered immediately above the title on each of these forms. After the "supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 67 which shall be identified by entering the word "master" immediately above the title. These "supplemental" forms and the "master" form shall be prepared as follows:

a. "Supplemental" Forms

(1) Heading. Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: Enter the reported acreage and the measured acreage respectively, for the part of the insurance unit covered by the "supplemental" form.

Box C: Complete this box in the usual manner.

Box D: Enter the insured interest in the acreage covered by the "supplemental" form, determined in accordance with the instructions for box D in subsection C of this section.

(3) Part I

Enter all the data applicable to the acreage covered by the "supplemental" form.

(4) No other entries shall be made on the supplemental forms.

b. "Master" Form

(1) Heading. Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: To obtain the entry for each of these boxes for the "master" form, add the entries appearing on all "supplemental" forms for that box and enter the sum thereof on the "master" form.

Box C: Complete this box in the usual manner.

Box D: Enter the word "Varying".

(3) Part I

To obtain the entry for item 7, column E of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column E, and enter the sum thereof on the "master" form.

To obtain the entry for item 7, column F, of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column F, and enter the sum thereof on the "master" form.

No further entries are necessary in Part I.

- (4) Complete the balance of the "master" form in the usual manner.

2. Where Different Coverages Per Acre have been Established for Parts of the Insurance Unit

A separate Form 67 shall be prepared for each acreage of the bean crop on each part of the unit for which a different coverage per acre has been established. In addition, if the insured has different shares in parts of the insured acreage to which the same coverage per acre applies, a separate Form 67 shall be prepared for each acreage in which the insured has a different share. The word "supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 67 which shall be identified by entering the word "master" immediately above the title. These "supplemental" forms and the "master" form shall be prepared as follows:

a. "Supplemental" Forms

(1) Heading

Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: Enter the reported acreage and measured acreage, respectively, for the part of the unit covered by the "supplemental" form.

Box C: Enter the area number applicable to the part of the unit covered by the "supplemental" form.

Box D: Complete this box in the usual manner, except

where paragraph 1 of this subsection is applicable.

(3) Part I

Enter all the data applicable to the acreage covered by the "supplemental" form.

(4) No other entries shall be made on the "supplemental" forms.

b. "Master" Form

(1) Heading

Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: To obtain the entry for each of these boxes for the "master" form, add the entries for that box appearing on all "supplemental" forms covering parts of the unit, and enter the sum thereof on the "master" form.

Box C: Enter the area numbers for all "supplemental" forms covered by the "master" form.

Box D: Complete this box in the usual manner unless the insured has varying interests, in which case enter the word "Varying".

(3) Part I

To obtain the entry for item 7, column E of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column E, and enter the sum thereof on the "master" form.

To obtain the entry for item 7, column F of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column F and enter the sum thereof on the "master" form.

No further entries are necessary in Part I.

(4) Complete the balance of the "master" form in accordance with the instructions in subsection C of this section.

3. Where There has been a Transfer of Interest in the Bean Crop on the Insurance Unit

The contract provides that in the event of a transfer of interest,

the Corporation shall not be liable for a greater indemnity than would have been paid had the transfer not taken place.

a. Transfer of All or a Part of the Insured Interest in All of the Insured Acreage on the Insurance Unit

Prepare Form 67 in the usual manner, except that the name of the insured and the insured interest (Box D) shall be determined on the basis of the insured interest of the original insured and the information shown on FCI-21-Revised, "Transfer of Interest".

b. Transfer of All the Insured Interest in a Part of the Insured Acreage on the Insurance Unit

(1) If neither paragraph 1 nor paragraph 2 of this subsection applies and only one transfer has been made.

(a) Draw a vertical line through the center of columns E, F, and G.

(b) To the left of the vertical line enter the data for the entire insurance unit.

(c) To the right of the vertical line enter the data for one of the following: (1) if the transferee is submitting the claim, enter the data for the acreage transferred, or (2) if the transferor is submitting the claim, enter the data for the acreage not transferred.

(d) Otherwise prepare the Form 67 in the usual manner.

(2) If neither paragraph 1 nor paragraph 2 of this subsection applies and two or more transfers have been made:

(a) Prepare a Form 67 for each individual (transferor and transferee) who has an insured interest under the contract at the time of loss. These forms shall be prepared in the usual manner except that the words "Transfer of Interest - data for a part of the insurance unit", shall be entered above the title.

(b) Prepare a Form 67 covering the entire insurance unit. The words "Transfer of Interest - data for entire insurance unit" shall be entered above the title of the form. It should be prepared as if no transfer of interest had taken place and should be completed only through Part I.

(c) All Forms 67 prepared for the parts of the insurance unit as well as the one prepared for the entire insurance unit shall be submitted together.

- c. Where there is a Transfer of Part of the Insured Interest in a Part of the Insured Acreage on the Insurance Unit, or Where there is One or More Transfer and Paragraph 1 or Paragraph 2 of this Subsection Applies to the Original Insured

(1) Prepare a Form 67 for:

- (a) The insured acreage on the insurance unit for each individual transferor or transferee (and, where applicable, each acreage of the bean crop on the insurance unit on which each individual has a different share, or for which a different coverage per acre has been established).
- (b) If more than one Form 67 is prepared for the same insured, a "master" Form 67 shall be prepared consolidating such data in the manner shown in paragraph 1.
- (c) The entire insurance unit as if no transfer has taken place.

(2) Prepare these Forms 67 in accordance with the instructions contained in paragraph 3, b, (2), above.

4. Where Two or Three Insurable Classes of Beans are Produced on One Insurance Unit (Pea and Medium White Beans will be treated as one class)

A separate Form 67 shall be prepared for acreage planted to each class of insurable beans on an insurance unit (or for each part of an insurance unit where either paragraph 1, 2, or 3 of this subsection applies). The word "supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 67 which shall be identified by entering the word "master" immediately above the title. These "supplemental" forms and the "master" form shall be prepared as follows:

a. "Supplemental" Forms

(1) Heading

Complete the heading in the usual manner.

(2) Boxes

Boxes A and B: Enter the reported acreage and the measured acreage respectively for the part of the insurance unit covered by the "supplemental" form.

Boxes C and D: Complete these boxes in the usual manner.

(3) Part I

Enter all the data applicable to the acreage covered by the "supplemental" form. These data shall be entered in accordance with the applicable instructions in subsection C of this section.

(4) Part V

Complete items 17 and 18 in the usual manner.

(5) No other entries shall be made on the "supplemental" forms.

b. "Master" Form

(1) Heading

In the space for Class of Beans insert the names of the insurable classes of beans shown on each "supplemental" form. The balance of the heading shall be completed in the usual manner.

(2) Boxes

Boxes A and B: To obtain the entry for each of these boxes for the "master" form, add the entries appearing on the "supplemental" forms for that box and enter the sum thereof on the "master" form.

Box C: Complete in the usual manner.

Box D: Complete in the usual manner except that the word "Varying" should be entered where applicable.

(3) Part I

To obtain the entry for item 7, column E of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column E and enter the sum thereof on the "master" form.

To obtain the entry for item 7, column F of the "master" form, add the entries appearing on the "supplemental" forms for item 7, column F and enter the sum thereof on the "master" form.

No further entries are necessary in Part I.

(4) Complete the balance of the "master" form in accordance with the instructions in subsection C of this section.

5. Where the Insured Commingles Production from Two or More Insurance Units and Fails to Maintain Separate Records of Production for Each Insurance Unit and All the Acreage from which Production is Commingled is Insured

- a. Prepare Form (s) 67 for each insurance unit in accordance with subsection C of this section or paragraphs 1, 2, 3, or 4 of this subsection, whichever is applicable, except as follows:
 - (1) In addition to any identification of the form as required above, enter the words "Part of a combination" immediately above the title on each of these forms.
 - (2) Enter the word "Commingled" in item 3, column F, on each of those forms, and where applicable, in item 2 in column F.
- b. Prepare a Form 67 consolidating the data for all of the insurance units in accordance with paragraphs 1, 2, 3, or 4 of this subsection, whichever is applicable, except as follows:
 - (1) Enter the word "Master - Combination" immediately above the title on this form.
 - (2) The insurance unit number of all units involved shall be entered in the space provided.
 - (3) Delete the word "Reported" over Box A and insert above the deletion the word "Insured".
 - (4) Enter in Box A the sum of the insured acreage of all of the insurance units involved. (The insured acreage for each insurance unit is the smaller of the entry in Box A or the entry in Box B on the form prepared for the insurance unit).
 - (5) Enter in item 2, column F, the appraised production for all of the commingled production which is pulled but not threshed.
 - (6) Enter in item 3, column F, all of the commingled threshed production. If more than one grade or pick is applicable show the production for each grade or pick on a separate line.

6. Other Unusual Cases

If a case arises which because of some special circumstance is meritorious but which is not specifically covered by this procedure or if the application of this procedure results in an undue hardship on the insured, the case should be submitted in accordance with General Procedure 4.

Subsection E. Cases Where the Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the basis for settlement of a loss claim the case shall be referred to the supervisor. If the insured and the supervisor cannot agree, two Forms 67 shall be prepared, one showing the data submitted by the insured and signed only by him, and

the other showing the data determined by the supervisor and signed only by him. The supervisor shall submit both forms to the state director with a complete statement of facts on Form 6. If the insured does not file his Form 67 at that time, he shall be advised by the supervisor that such Form 67 must be filed not later than 60 days after the time of loss. Every effort should be made to handle these cases as promptly and speedily as possible.

Subsection F. Cases Where the Adjuster Cannot Determine all the Facts

Where the adjuster has reason to believe that all facts have not been set forth by the insured or that any of the basic data have not been provided and it appears impossible for the adjuster to determine these facts or basic data, he shall not sign the Form 67. In these cases the adjuster shall prepare a Form 6 setting forth the information which he believes is being withheld, what causes the adjuster to believe that information is being withheld, and the steps he has taken to determine the facts. The Form 67 signed by the insured and the Form 6 prepared by the adjuster shall be referred to the supervisor for further action.

Subsection G. Transmitting Forms 67 to the State Director

The adjuster shall forward daily to the state director all copies of all completed Forms 67. All copies of any Form (s) 6 prepared as provided in this procedure shall be attached to the related Form 67.

SECTION III. CORRECTED FORMS 67, DELAYED NOTICES OF LOSS OR FORMS 67

Subsection A. Corrected Forms 67

If after a Form 67 has been filed by the insured and submitted to the state director it is found that the basic data thereon are incorrect because of a bona fide error on the part of the insured or the adjuster, a corrected Form 67 (plainly marked "corrected" in the heading thereof) shall be prepared and signed both by the insured and the adjuster. (However, unless the correction would change the indemnity as much as \$5.00, a "corrected" Form 67 shall not be approved by the Director.)

In addition, the adjuster shall prepare Form 6 fully explaining how the error occurred and including all facts pertinent to the case. The Form 6 shall be attached to the "corrected" Form 67 and transmitted promptly to the state director, together with the Form 67 originally filed by the insured, if such form has not already been transmitted. In no case shall the Form 67 originally filed by the insured be destroyed.

If after a Form 67 has been filed by the insured it is found that the basic data thereon are incorrect and it appears that the insured may have acted in bad faith by concealing some material fact, the adjuster shall prepare a Form 6 setting forth all pertinent facts regarding the case. This Form 6 shall be transmitted promptly to the state director. If the insured wishes to file a "corrected" Form 67 in such cases, the adjuster shall not sign such form but shall attach thereto the Form 6. The Form 67 originally filed by the insured shall, of course, be transmitted promptly to the state director in all cases, if such form has not already been transmitted.

It will not be necessary to prepare a "corrected" Form 67 if the basic data on the original form are correct and settlement has been made in a lesser amount than the correct indemnity and the insured is requesting the additional amount.

Subsection B. Delayed Notice of Loss

1. If the notice of loss was given more than 15 days after material damage to the crop before harvest or more than 15 days after the completion of threshing but in sufficient time for a Form 67 to be filed within the 60-day period, the insured shall be informed of the requirement of the contract for giving notice within 15 days. The adjuster shall request the insured to submit along with the Form 67, if one is filed, a statement showing the reasons for the delay in filing a notice of loss. In these cases, the adjuster shall prepare Form 6 showing.
 - (a) the portion of the acreage on which evidence that beans were produced thereon is present at the time of inspection,
 - (b) whether he was able to accurately determine the actual acreage,
 - (c) the method used in determining the actual production and the quality thereof,
 - (d) whether he is entirely satisfied that all production was accounted for,

- (e) whether he feels certain that he was able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes,
 - (f) in what respects the evidence with regard to acreage, production, and quality is or is not as satisfactory as it would have been if the notice had been submitted within 15 days,
 - (g) the date the notice of loss was filed in the county office, and
 - (h) any other facts which he considers pertinent to the case.
2. Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to file a Form 67 within the 60-day period after the time of loss, he should act under existing instructions from the state director for such cases or request instructions from him as to whether he should make an inspection.

Where it is not evident at the time the adjuster receives the Form 8 that it will not be possible for the insured to file a Form 67 within the 60-day period after the time of loss, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Form 67 to be filed within this period, the adjuster shall make the inspection, prepare Form 63 and obtain from the insured a written statement as to the reason for the delay in filing the notice of loss, and submit the case to the state director for consideration without preparing a Form 67. However, if the insured insists upon filing a Form 67 in cases of this kind, he should be permitted to do so but he should be informed of the 15-day provision for reporting loss to the county office and the 60-day provision for filing a Form 67, but the adjuster should not sign these forms 67 indicating his approval.

Subsection C. Delayed Forms 67

The contract provides that the Form 67 shall be filed not later than 60 days after the time of loss, unless the time for filing the claim is extended in writing by the Corporation. This 60-day period will not be extended except in the most meritorious cases. Where a Form 67 is submitted more than 60 days after the time of loss as set forth in Section II. A. 1. b. hereof, the adjuster shall request the insured to submit along with the Form 67, a statement showing the reasons for the delay, in order that a determination may be made as to whether the extension is to be granted.

In those cases the adjuster shall prepare Form 6 showing:

1. The portion of the acreage on which evidence that beans were produced thereon remains at the time of the inspection.
2. Whether the adjuster was able to accurately determine the actual acreage.
3. Method used in determining the actual production, the quality thereof, and per acre appraisals.

4. A comparison as to the per acre value of production reported by the insured and that produced for nearby farms.
5. Whether the adjuster is entirely satisfied that all production was accounted for.
6. Whether the adjuster feels certain that he was able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes.
7. In what respect the evidence with regard to acreage, production, and the quality thereof is or is not as satisfactory as it would have been if the notice had been submitted within 60 days.
8. Any other facts which the adjuster considers pertinent to the case.

SECTION IV. SETTLEMENT OF LOSS CLAIMS

The adjuster shall advise the insured that any claim for indemnity submitted in accordance with the contract and applicable procedures will be paid by the issuance of a check by the Corporation payable to and mailed to the person(s) entitled to such payment under the contract.

SECTION V. DISTRIBUTION OF FORMS

The following distribution shall be made of the forms used in this procedure:

Form 63

The state office copy shall be forwarded to the state director.

The insured's copy shall be given to the insured at the completion of the inspection.

The county office copy shall be filed in the insured's crop insurance folder on file in the county office.

Form 67

The adjuster shall forward all copies of Form 67, including the insured's copy, to the state director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed to him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any necessary corrections in the premium, as are indicated at the bottom of Form 67, are made on county office records of the insured's premium account.

Form FCI-15, "Transmittal Sheet"

Form FCI-15 will be prepared by the state director. The branch office copy shall be forwarded to the branch office together with Forms 67 and attachments. The county office copy shall be forwarded to the county office. The state office copy shall be retained and filed in the state office.

SECTION VI. LOSS CLAIMS ON IRRIGATED LAND

Subsection A. Basis of Irrigated Coverage

In counties where a part of the beans is normally irrigated and a part is not normally irrigated the acreage of beans which shall be insured on the basis of irrigated coverage in any year shall not exceed the smaller of

- (1) that acreage which could be irrigated adequately with the facilities available, taking into consideration the amount of water required to irrigate the acreage of all irrigated crops on the farm, or
- (2) that acreage on which one irrigation is carried out in accordance with good farming practices as determined by the Corporation, either before the crop is planted or during the growing season.

The adjuster must be sure that irrigated coverage is not extended to acreage which does not meet the smaller of the above conditions.

Subsection B. Preparation of Loss Claims

If the adjuster determines that the loss or any part of the loss on acreage with an irrigated coverage is due to failure of the insured to properly irrigate the acreage, and the insured was not prevented from properly irrigating the acreage by an insurable cause, he will make an appraisal of the amount of loss due to such failure to properly irrigate.

If a loss occurs on any acreage where the insured sold or rented his water rights or water shares, or applied available water to uninsured crops to the detriment of the bean crop, the adjuster shall make an appraisal of the amount of loss due to such uninsurable cause.

In addition to other causes of loss not insured against the contract does not cover loss in production caused by

- (1) failure properly to apply adequate irrigation water to beans when needed and in accordance with recognized good farming practices for the area,
- (2) failure to provide adequate casing or properly to adjust the pumping equipment in the event of a lowering of the water level in pump wells when such adjustment can be made without deepening the well,
- (3) failure properly to apply irrigation water to beans in proportion to the need of the crop and the amount of water available for all irrigated crops, and
- (4) shortage of irrigation water on any farm where the Corporation determines that the total acreage of all irrigated crops on the farm is in excess of that which could be irrigated properly with the facilities available and with the supply of water which could reasonably be expected.

The contract also provides that insurance shall not attach with respect to acreage planted to beans the first year after being leveled.

In establishing the facts in these cases the adjuster will be guided first by his own observations and judgment, second by information given by the insured, third by information obtained in the county office, and fourth by information obtained from neighbors.

